Views regarding Indian economy

†2663. SHRI RAVI SHANKAR PRASAD:
DR. MURLI MANOHAR JOSHI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that recently several renowned economists have expressed their views that Indian economy is witnessing overheating i.e. an artificail monentary development;

(b) if so, the facts thereof and on what basis these economists have expressed their said views; and

(c) Government's reaction regarding the said views?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) The macro and monetary management are carried out by the Ministry of Finance and Reserve Bank of India who monitor development on a regular basis and take appropriate monetary and other policy measures. Some have expressed a view that there are signs of overheating in the Indian economy and the nine per cent rate of economic growth putting pressure on inflation. The concern for a possible "overheating" of the Indian economy has risen with the rate of economic growth scaling to 9 per cent in the past two years, and accompanying an inflation rate of five per cent plus.

(c) The Government (i.e., the Finance Ministry, in particular) and the monetary establishment (i.e., the Reserve Bank of India) have responded to the price inflation in critical areas of the economy through a slew of fiscal and monetary measures, which include increase in interest rates, reduction in import duty rates, ban on exports of certain items and a ban on fitures trading in certain agricultural commodities.

BPL people in States

†2664. SHRI PYARELAL KHANDELWAL: Will the PRIME MINISTER be pleased to state:

(a) the details of the people living below poverty line at present, State-wise;

†Original notice of the question was received in Hindi.

(b) the norms prescribed by Government for determining poverty line;

(c) whether it is a fact that according to the norms of Government, a person spending Rs. 14 per day in Delhi is considered above poverty line;

(d) whether Government have fixed norms for determining poverty for other States in the similar manner;

(e) if so, the details thereof, State-wise; and

(f) whether Government are considering to raise the income limit for determining poverty line?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) The latest estimate of poverty at national and State level is available for the year 2004-05, based on the large sample survey data on household consumer expenditure, conducted by the National Sample Survey Organization (NSSO) in its 61st round. These in the rural and urban areas and for the State as a whole are given in Statement-I and II (*See* below).

(b) The Planning Commission uses a poverty line based on per capita consumption expenditure as the criterion to determine the percentage of persons living below the poverty line. The per capita consumption norm at the national level has been fixed at Rs. 49.09 per month in the rural areas and Rs. 56.64 per month in the urban areas at 1973-74 prices corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in the rural areas and 2100 kcal in the urban areas. These national level poverty lines in the rural and urban areas are disaggregated into State-specific poverty lines using State-specific price indices and inter-State price differentials. These State-specific poverty lines of 1973-74 are updated for the later years using State-specific Consumer Price Index of Agricultural Labourers (CPIAL) in the rural areas and Consumer Price Index of Industrial Workers (CPIIW) in the urban areas following the methodology contained in the Report of the Expert Group of Estimation of Proportion and Number of Poor. The latest estimate of State-wise poverty lines is available for the year 2004-05. These are given in Statement-III (*See* below).

(c) For Delhi the Planning Commission has estimated the poverty line as monthly per capita consumption expenditure as Rs. 410.38 in the rural areas and Rs. 612.91 in the urban areas in 2004-05. These are

approximately Rs. 14/- per capita per day in the rural areas and Rs. 20/- per capita per day in the urban areas. Therefore, a person spending more than Rs. 14/- per day in Delhi may be considered above the poverty line only in the rural areas.

(d) and (e) The Planning Commission estimates State-wise poverty lines using the Expert Group methodology. The methodology for determining the State-specific poverty lines is identical in all the States. The State-specific poverty lines for 2004-05 estimated by the Planning Commission are already given in Statement-III (*See* below).

(f) No such proposal is under consideration at present.

Statement-I

Number and Percentage of Population below poverty line by States-2004-05

(Based on URP-Consumption)

Sl. No.	States/U.Ts	Rural		Urban		Combined	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	11.2	64.70	28.0	61.40	15.8	126.10
2.	Arunachal Pradesh	22.3	1.94	3.3	0.09	17.6	2.03
3.	Assam	22.3	54.50	3.3	1.28	19.7	55.77
4.	Bihar	42.1	336.72	34.6	32.42	41.4	369.15
5.	Chhattisgarh	40.8	71.50	41.2	19.47	40.9	90.96
6.	Delhi	6.9	0.63	15.2	22.30	14.7	22.93
7.	Goa	5.4	0.36	21.3	1.64	13.8	2.01
8.	Gujarat	19.1	63.49	13.0	27.19	16.8	90.69
9.	Haryana	13.6	21.49	15.1	10.60	14.0	32.10
10.	Himachal Pradesh	10.7	6.14	3.4	0.22	10.0	6.36
11.	Jammu & Kashmir	4.6	3.66	7.9	2.19	5.4	5.86
12.	Jharkhand	46.3	103.19	20.2	13.20	40.3	116.39
13.	Karnataka	20.8	75.05	32.6	63.83	25.0	138.89
14.	Kerala	13.2	32.43	20.2	17.17	15.0	49.60

1	2	3	4	5	6	7	8
15.	Madhya Pradesh	36.9	175.65	42.1	74.03	38.3	249.68
16.	Maharashtra	29.6	171.13	32.2	146.25	30.7	317.38
17.	Manipur	22.3	3.76	3.3	0.20	17.3	3.95
18.	Meghalaya	22.3	4.36	3.3	0.16	18.5	4.52
19.	Mizoram	22.3	1.02	3.3	0.16	12.6	1.18
20.	Nagaland	22.3	3.87	3.3	0.12	19.0	3.99
21.	Orissa	46.8	151.75	44.3	26.47	46.4	178.49
22.	Punjab	9.1	15.12	7.1	6.50	8.4	21.63
23.	Rajasthan	18.7	87.38	32.9	47.51	22.1	134.89
24.	Sikkim	22.3	1.12	3.3	0.02	20.1	1.14
25.	Tamil Nadu	22.8	76.50	22.2	69.13	22.5	145.62
26.	Tripura	22.3	6.18	3.3	0.20	18.9	6.38
27.	Uttar Pradesh	33.4	473.00	30.6	117.03	32.8	590.00
28.	Uttarakhand	40.8	27.11	36.5	8.85	39.6	35.96
29.	West Bengal	28.6	172.22	14.8	35.14	24.7	208.36
30.	A & N Islands	22.9	0.60	22.2	0.32	22.6	0.92
31.	Chandigarh	7.1	0.08	7.1	0.67	7.1	0.74
32.	Dadra & N. Haveli	39.8	0.68	19.1	0.15	33.2	0.84
33.	Daman & Diu	5.4	0.07	21.2	0.14	10.5	0.21
34.	Lakshadweep	13.3	0.06	20.2	0.06	16.0	0.11
35.	Pondicherry	22.9	0.78	22.2	1.59	22.4	2.37
	ALL-INDIA:	28.3	2209.24	25.7	807.96	27.5	3017.20

URP consumption = Uniform Recall Period consumption in which the consumer expenditure data for all the items are collected from 30-day recall period

NOTE:

1. Poverty Ratios of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
2. Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
3. Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Islands.

4. Urban Poverty Ratio of Punjab is used for both rural and urban poverty of Chandigarh.

5. Poverty Line of Maharashtra and expenditure distribution of Dadra and Nagar Haveli is used to estimate poverty ratio of Dadra and Nagar Haveli.

6. Poverty Ratio of Goa is used for Daman and Diu.

7. Poverty Ratio of Kerala is used for Lakshadweep.

Statement-II

Number and Percentage of Population below poverty line by States-2004—2005

(Based on MRP-Consumption)

Sl. No.	States/U.Ts	Rural		Urban		Combined	
		%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)	%age of Persons	No. of Persons (Lakhs)
1	2	3	4	5	6	7	8
1	Andhra Pradesh	7.5	43.21	20.7	45.50	11.1	88.71
2	Arunachal Pradesh	17.0	1.47	2.4	0.07	13.4	1.54
3	Assam	17.0	41.46	2.4	0.93	15.0	42.39
4	Bihar	32.9	262.92	28.9	27.09	32.5	290.01
5	Chattisgarh	31.2	54.72	34.7	16.39	32.0	71.11
6	Delhi	0.1	0.01	10.8	15.83	10.2	15.83
7	Goa	1.9	0.13	20.9	1.62	12.0	1.74
8	Gujarat	13.9	46.25	10.1	21.18	12.5	67.43
9	Haryana	9.2	14.57	11.3	7.99	9.9	22.56
10	Himachal Pradesh	7.2	4.10	2.6	0.17	6.7	4.27
11	Jammu & Kashmir	2.7	2.20	8.5	2.34	4.2	4.54
12	Jharkhand	40.2	89.76	16.3	10.63	34.8	100.39
13	Karnataka	12.0	43.33	27.2	53.28	17.4	96.60
14	Kerala	9.6	23.59	16.4	13.92	11.4	37.51

1	2	3	4	5	6	7	8
15	Madhya Pradesh	29.8	141.99	39.3	68.97	32.4	210.97
16	Maharshtra	22.2	128.43	29.0	131.40	25.2	259.83
17	Manipur	17.0	2.86	2.4	0.14	13.2	3.00
18	Meghalaya	17.0	3.32	2.4	0.12	14.1	3.43
19	Mizoram	17.0	0.76	2.4	0.11	9.5	0.89
20	Nagaland	17.0	2.94	2.4	0.09	14.5	3.03
21	Orissa	39.8	129.29	40.3	24.30	39.9	153.59
22	Punjab	5.9	9.78	3.8	3.52	5.2	13.30
23	Rajasthan	14.3	66.69	28.1	40.50	17.5	107.18
24	Sikkim	17.0	0.85	2.4	0.02	15.2	0.87
25	Tamil Nadu	16.9	56.51	18.8	58.59	17.8	115.10
26	Tripura	17.0	4.70	2.4	0.14	14.4	4.85
27	Uttar Pradesh	25.3	357.68	25.3	100.47	25.5	458.15
28	Uttarakhand	31.7	21.11	32.0	7.75	31.8	28.86
29	West Bengal	24.2	146.59	11.2	26.64	20.6	173.23
30	A& N Islands	16.9	0.44	18.8	0.27	17.6	0.71
31	Chandigarh	3.8	0.01	3.8	03.6	3.8	0.40
32	Dadra & N Haveli	36.0	0.62	19.2	0.16	30.6	0.77
33	Daman & Diu	1.9	0.03	20.8	0.14	8.0	0.16
34	Lakshadweep	9.6	0.04	16.4	0.05	12.3	0.09
35	Pondicherry	16.9	0.58	18.8	1.34	18.2	1.92
	ALL-INDIA:	21.8	1702.99	21.7	682.00	21.8	2384.99

MRP consumption = Mixed Recall Period consumption in which the consumer expenditure data for five non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses are collected from 365-day recall period and the consumption data for remaining items are collected from 3-day recall period.

Notes: Same as in Statement-I

Statement-III

State-Specific Poverty Lines in 2004-05

(Rs. per capita per month)

Sl.No.	State/U.Ts	Rural	Urban
1	Andhra Pradesh	292.95	542.89
2	Assam	387.64	378.84
3	Bihar	354.36	435.00
4	Chhattisgarh	322.41	560.00
5	Delhi	410.38	612.91
6	Goa	362.25	665.90
7	Gujarat	353.93	541.16
8	Haryana	414.76	504.49
9	Himachal Pradesh	394.28	504.49
10	Jammu & Kashmir	391.26	553.77
11	Jharkhand	366.56	451.24
12	Karnataka	324.17	599.66
13	Kerala	430.12	559.39
14	Madhya Pradesh	327.78	570.15
15	Maharashtra	362.25	665.90
16	Orissa	325.79	528.49
17	Punjab	410.38	466.16
18	Rajasthan	374.57	559.63
19	Tamil Nadu	351.86	547.42
20	Uttar Pradesh	365.84	483.26
21	Uttarakhand	478.02	637.67
22	West Bengal	382.82	449.32
23	Dadra & N. Haveli	362.25	665.90
	ALL INDIA*	356.30	538.60

*The poverty line (implicit) at all-India level is worked out from the expenditure class-wise distribution of persons (based on URP-consumption, that is consumption data collected from 30-day recall period for all items) and the poverty ratio at all-India level. The poverty ratio at all India level is obtained as the weighted average of the State-wise poverty ratio.